

## Message Text

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R 300258Z SEP 76

FM SECSTATE WASHDC

TO AMEMBASSY TEHRAN

S E C R E T STATE 242947

FOR AMBASSADOR FROM NAAS

E.O. 11652: GDS

TAGS: MASS, EFIN, SWEL, IR

SUBJECT: STATUS OF PROJECTS

1. NOW THAT WE HAVE OPPORTUNITY TO TURN FROM CAPITOL HILL AND LOOK INTO OTHER BUSINESS, I THOUGHT IT WOULD BE USEFUL TO SUBMIT A STATUS REPORT ON VARIOUS PROJECTS NOW BEFORE US:

2. POLITICAL/MILITARY

A. 300 F-16S (DEFREP MESSAGE 211015Z SEP 76): SINCE WE ARE WORKING DILIGENTLY ON 160 OF THIS TOTAL, WE ASSUME TOUFANI-AN'S MESSAGE IS ONLY A REMINDER THAT GOI WILL EVENTUALLY WANT 140 MORE. WE ARE NOT INITIATING ANY ACTION NOW ON THE ADDITIONAL 140. AT ANY RATE, CONGRESSIONAL ADJOURNMENT PRECLUDES ANY ACTION ON THIS TRANCHE UNTIL NEXT YEAR. DOD WILL PREPARE BRIEF REPLY TO TOUFANIAN.

B. BELL COPRODUCTION AND RESULTING SALES TO THIRD COUNTRIES (STATE 173833): FOLLOWING BELL'S AND GOI'S UNWILLINGNESS TO ACCEPT REQUIREMENT OF PRIOR USG APPROVAL FOR HELICOPTER

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SALES TO THIRD COUNTRIES, PM HAS DRAFTED POSITION WHICH IS

IN CLEARANCE PROCESS. MAIN POINT IS USG MUST RETAIN, IN ACCORDANCE WITH COPRODUCTION POLICY, AUTHORITY TO MAKE CASE-

BY-CASE REVIEW OF ANY PROPOSED SALES TO THIRD COUNTRIES. I CANNOT ARGUE WITH THAT, BUT HAVE SUGGESTED TO PM THAT WE SWEETEN THIS ESSENTIALLY NEGATIVE REPLY TO BELL AND GOI BY DRAFTING LETTER FROM YOU TO SHAH (OR YOU TO TOUFANIAN) STATING WE PREPARED DURING FUTURE CASE-BY-CASE REVIEWS TO APPROVE ALL PROPOSED SALES THAT ARE TO COUNTRIES TO WHICH US WOULD AT THE TIME SELL SUCH EQUIPMENT. IN CASES INVOLVING COUNTRIES TO WHICH WE DO NOT NORMALLY SELL, LETTER WOULD PROMISE SWIFT REVIEW BY US WHILE KEEPING IN MIND OUR CLOSE TIES TO IRAN. PM IS NOT SYMPATHETIC TO MY PROPOSAL AND SO WE ARE JUST SETTLING DOWN TO A PERIOD OF NEGOTIATION BEFORE THE MEMO GOES FORWARD.

C. LASER DATA LINK (TEHRAN 9039): HUGHES' REVISED REQUEST FOR R AND D PROJECT WITH IEI NOW BEING EXAMINED BY PENTAGON AND OTHERS.

D. COPRODUCTION OF MAVERICKS (CARMISH MAAG MESSAGE 161301Z JUN 76): DOD IS DRAFTING NEGATIVE REPLY TO THE TOUFANIAN REQUESTS RELATED TO AGM 65B, 65C, AND 65D. WE WILL DO OUR BEST TO DRESS UP REPLY TO EXTENT POSSIBLE.

E. USE OF ARMISH-MAAG HOSPITAL BY PERSONNEL IN SAUDI ARABIA (TEHRAN 9397 ETC): DOD IS PULLING ITSELF TOGETHER ON THIS ONE, BUT WE HAVE ALREADY TOLD THEM WE ARE OPPOSED TO ANY CHANGE IN THE CURRENT ARRANGEMENTS.

F. PAKISTANI HELICOPTER PILOT TRAINING (TEHRAN 9339, ETC): I CAN APPRECIATE BOB MARTIN'S FRUSTRATIONS ON THIS SUBJECT. PROBLEM HAS BEEN THIS IS FIRST TIME SUCH A CASE HAS COME UP SINCE THIS PAST SPRING'S EXTENSIVE AMENDMENTS TO FMS PROCEDURES. THERE HAVE BEEN VARIOUS WARRING CAMPS HERE SPLIT OVER WHETHER THIS CASE SHOULD BE HANDLED AS THIRD COUNTRY TRANSFER OR AS DIRECT US-PAKISTANI UNDERTAKING. BECAUSE THIS CASE WILL BECOME PRECEDENT, AN INORDINATE AMOUNT OF TIME HAS BEEN CONSUMED IN THE STRUGGLE. SINCE THE EMBASSY HAS WISELY GONE AHEAD (TEHRAN 9339), WHAT WILL  
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BE FORTHCOMING MAY BE CHIEFLY OF ACADEMIC INTEREST, BUT PM WILL STILL DRAFT AN EXPLANATORY CABLE.

G. BELGIAN PATENT RIGHTS FOR 2.75 INCH ROCKETS (TEHRAN 5008): PROBLEM IS NO ONE ADMITS TO BEING AN EXPERT ON BELGIAN PATENT RIGHTS AND SO CASE HAS BEEN COLLECTING DUST. WE ARE TRYING TO DRAW PM AND LAWYERS INTO DISCUSSION TO SEE WHAT WE MIGHT USEFULLY PROVIDE EMBASSY.

H. INTEREST IN GOI DEPOSIT FUND: WE ARE EXPECTING A DOD POSITION WITHIN THIS WEEK FOR STATE CLEARANCE.

3. ECONOMIC

A. PAYMENTS INTO IRANIAN SOCIAL SECURITY SYSTEM BY AMERICAN EMPLOYEES AND EMPLOYERS IN IRAN: SOCIAL SECURITY ADMINISTRATION ANXIOUS TO RECEIVE FROM EMBASSY NAMES OF SIGNIFICANT EMPLOYERS OF AMERICANS IN IRAN WHO RESPOND POSITIVELY TO EMBASSY'S APPROACH OUTLINED TEHRAN 9577 IN ORDER THAT SSA MAY CONTACT HEAD OFFICES HERE AND BUILD CASE FOR CHANGE IN US LEGISLATION. ACTION BY THIS CONGRESS NOW UNLIKELY. IN MEANTIME, WE ANTICIPATE INCREASING NUMBER OF QUERIES FROM COMPANIES AFFECTED, THOUGH, AS POINTED OUT IN TEHRAN 9577, SOME EMPLOYERS MAY ALREADY ANTICIPATE ARRANGING OWN EXEMPTIONS FROM NEW IRANIAN LEGISLATION.

B. ASSESSMENT OF IRANIAN INCOME TAXES AGAINST AMERICANS IN IRAN, PARTICULARLY JOINT COMMISSION PERSONNEL: WE SUGGESTED THAT TREASURY TAKE UP WITH ANSARY DURING COURSE OF OCTOBER IBRD/IMF MEETINGS THE POSSIBILITY OF ACCELERATING NEGOTIATION OF A RECIPROCAL TAX TREATY. AS FAR AS JOINT COMMISSION PERSONNEL ARE CONCERNED, DOT HAS REQUESTED ADVISORY OPINION FROM IRS ON US TAX EFFECTS OF PAYMENT BY GOI MINISTRIES OF IRANIAN TAXES ASSESSED AGAINST AMERICAN PERSONNEL.

C. FAILURE OF GOI TO ISSUE YELLOW CARDS TO JOINT COMMISSION PERSONNEL (FHWA IS THE REAL PROBLEM) IN IRAN: REPORTEDLY, FHWA TEAM MEMBERS ARE PARTICULARLY UNHAPPY THAT THEIR COMMISSARY AND PX PRIVILEGES ARE NOT STRICTLY LEGAL  
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UNDER IRANIAN GOVERNMENT REGULATIONS OF JULY 14, 1966, AND OBTAIN ONLY WHILE GOI CHOOSES TO LOOK THE OTHER WAY. REALIZE THERE IS, PROBABLY, NOTHING THE EMBASSY CAN DO ABOUT THIS PROBLEM SPECIFICALLY, BUT YOUR ASSISTANCE IN SPEEDILY SECURING FOR JOINT COMMISSION PERSONNEL THE PRIVILEGES THAT ARE ACCORDED THEM UNDER THE 1966 REGULATIONS SHOULD REDUCE THE CONCERN ABOUT THE EXTRA-LEGAL NATURE OF THE COMMISSARY, ETC. PRIVILEGES.

D. OUR PROPOSAL (STATE 227241) TO EXTEND FOR A YEAR THE INTERIM AGREEMENT SCHEDULED TO EXPIRE DECEMBER 31, 1976, REGARDING BILATERAL CIVIL AVIATION ARRANGEMENTS AND TO DEFER THE CONSULTATIONS PROPOSED BY THE GOI: WE ARE STILL AWAITING THE IRANIAN RESPONSE.

E. COMPLAINT BY US RICE EXPORTERS AGAINST THE FOREIGN TRANSACTIONS COMPANY: WE SHALL APPRECIATE REPORT ASAP ON EMBASSY'S APPROACH TO COMMERCE MINISTER TASLIMI (TEHRAN 9661).

F. IRANIAN IFAD CONTRIBUTION: APPROPRIATE US THANKS FOR THIS ADDITIONAL CONTRIBUTION SHOULD BE FORTHCOMING SOON. WE ARE STILL WORKING WITH EB ON HOW TO PUBLICIZE CONTRIBUTION, AS REQUESTED BY GOI.

4. OTHER:

A. KHALATBARI'S REQUEST FOR A BILATERAL (USUN 3754): WE HAVE INFORMED IRANIANS THAT CHANCES OF SETTING UP APPOINTMENT ARE DIM INDEED IN VIEW OF LIMITED TIME IN NEW YORK.

5. ALTHOUGH OTHER SUBJECTS ARE BEGINNING TO BUILD UP TOWARD SOME POSSIBLE ACTION, THESE SEEM TO BE MAIN PENDING REQUESTS WHICH WE HAVE BEFORE US. I WOULD APPRECIATE RECEIVING YOUR COMMENTS ON ANY OF THESE AND ALSO ANY ADDITION TO LIST WHICH WE MAY HAVE FORGOTTEN. ROBINSON

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